

MICHIGAN SUMMARY

7/2/94

- Nine weeks after the tax increase:
 - Retail volume remains -9% below baseline, improving -7 to -8% net of border account gains.
 - Pack oriented Metro Detroit Stores have experienced lower volume erosion, (-5%) than the balance of Michigan (-10%).
 - Lowered Canadian cigarette taxes in February have had little incremental impact since Michigan's May SET increase.
 - After six consecutive weeks of volume gains, industry retail volume declined ~~1.1~~ 1.0% versus a week ago.
 - PM's volume erosion (-7%) compares favorably to total industry ~~1.1~~ 1.0% volume declines (-12%), primarily due to Marlboro (-4%).
- Across all outlets, PM's share gains (+1.1 points) have been driven
 - Marlboro's lower exposure to outlet shifting has contributed to its ~~1.1~~ 1.0% share gains (+1.1 points).
 - Marlboro C-store growth (+1.1) has been influenced by MCS promotional support.
- Promotional activity in C-stores parallels Total U.S. for most competitors.
 - PM's promotional support declined largely due to a drop in Marlboro Country Store Catalogue incidence.
- There has been no significant shifts in Premium/Discount mix or prices post SET, yielding stable gaps in Pack and Carton outlets.

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